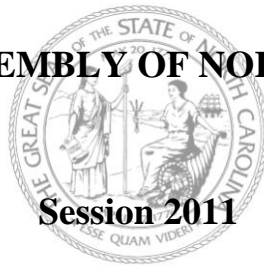


GENERAL ASSEMBLY OF NORTH CAROLINA



FISCAL ANALYSIS MEMORANDUM

[This confidential fiscal memorandum is a fiscal analysis of a draft bill, amendment, committee substitute, or conference committee report that has not been formally introduced or adopted on the chamber floor or in committee. **This is not an official fiscal note.** If upon introduction of the bill you determine that a formal fiscal note is needed, please make a fiscal note request to the Fiscal Research Division, and one will be provided under the rules of the House and the Senate.]

DATE: March 21, 2011

TO: Senator Brunstetter

FROM: Rodney Bizzell
Fiscal Research Division

RE: PCS to SB 107

FISCAL IMPACT

Yes (X) No () No Estimate Available ()

FY 2011-12 FY 2012-13 FY 2013-14 FY 2014-15 FY 2015-16

REVENUES:

General Fund

No General Fund Impact

Local Governments

Approximate Annual Revenue Loss of \$550,000

PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: NC Department of Revenue; NC Local Governments

EFFECTIVE DATE: Taxable Years on or after July 1, 2011.

BILL SUMMARY:

Under current law, vacant property within a roadway corridor is taxable at 20 percent of its appraised value. Improved property is taxable at the appraised value. SB 107 would provide a 50 percent reduction in the taxable value of improved property in a transportation corridor.

ASSUMPTIONS AND METHODOLOGY:

The NC Department of Transportation identified the roadway corridors that are not scheduled for near-term right-of-way acquisition. The corridors included six projects located in five counties. Fiscal Research contacted the tax assessors for those counties to determine the potential revenue loss associated with SB 107. The table below provides the revenue loss by county.

| SB 107 Revenue Loss by County | |
|--------------------------------------|--|
| Currituck | \$0 (no improved property in corridor) |
| Wake | \$44,588 |
| Johnston | \$18,581 |
| Pitt | \$99,826 |
| Forsyth | \$385,714 |
| Total | \$548,709 |

SOURCES OF DATA: Currituck County Tax Assessor; Wake County Tax Assessor; Johnston County Tax Assessor; Forsyth County Tax Assessor; Pitt County Tax Assessor

TECHNICAL CONSIDERATIONS: None